

**OGC HAS REVIEWED.**

**BOARDS AND COMMISSIONS**

1. Loyalty Board.
2. Meritorious Suggestion Awards Committee.

13 January 1948

*(for  
CIA Dec 1st  
legal Dec 1st  
Amend)*

MEMORANDUM FOR THE EXECUTIVE FOR AAM

Subject: Loyalty Board

1. Under the provisions of Executive Order 9835 and the instructions issued by the Civil Service Commission on 23 December 1947, it appears that CIA will be required to establish a Loyalty Board.

2. In reviewing the instructions from the Commission, it appears that the Board established by CIO in Memorandum No. 19 of 15 April 1947 would be adequate for CIA's purposes, with a few necessary changes. Incidentally, this Memorandum was inspected by a representative of the Commission prior to issuance and was approved by him. Of course, all provisions of the memo referring to CIO should be changed to CIA. Provision should be made for suspension in proper cases and for permitting resignations, as authorized by the Civil Service Commission. I would suggest a new paragraph be added as paragraph 6, as follows:

"6. When the Board has accepted a case as provided in paragraphs 4 and 5, the Board shall inform the Chief, Personnel Division, who shall take administrative action as provided in applicable regulations. The Board, however, may recommend immediate suspension on first reference of a case to it when there appears to be a serious threat to the national security. In cases not seriously threatening the national security, the Board may, with the approval of the Director, permit resignation instead of recommending suspension, or removal, where mitigating circumstances are found in an unfavorable determination."

This new paragraph would require renumbering old paragraphs 6, 7, 8, and 9, and the elimination of the last sentence of old paragraph 6. Paragraph 5 should be amended so that the first sentence reads:

"5. For employees outside of Washington and overseas, when the Board has accepted a case it shall forward interrogatories &c &c".

I suggest the addition to old paragraph 8 of a sentence stating:

"Final action to terminate an employee shall not be

Executive for ASI

13 January 1968

taken in less than thirty calendar days after the original notice to the employee of the proposed removal action, except as provided on page S 1-13 of the Federal Personnel Manual."

CSC paragraph 8 should be amended to insert after the first sentence:

"All testimony at hearings of the Board shall be under oath or affirmation."

3. The Civil Service Commission directs that in the event of resignation, notice be given the Commission and the complete file be forwarded to it. In view of our particular arrangements with the Commission, I feel they would be willing to exempt us from this provision, but if there is no objection to forwarding such files, old paragraph 7 should be amended to read as follows:

"C. Files and deliberations of the Board shall be kept confidential, and all records, documents, and evidence not the property of the employee shall be forwarded to the Executive for Inspection and Security for disposition as follows. If the determination of the Board is favorable to the employee, the Executive for Inspection and Security shall retain the entire file with the security files on the individual concerned. If the individual is permitted to resign after unfavorable determination, as provided for in paragraph 6, the file should be forwarded to the Civil Service Commission with notice of the resignation. If the case is referred or appealed to the Loyalty Review Board of the Civil Service Commission, the file shall be forwarded to that Board in triplicate, unless the Board agrees that a single copy is adequate."

4. If the order proposed above establishing the Loyalty Board is issued, we should forward a copy to the Commission, requesting its approval of the procedures therin established. In its letter, the Loyalty Review Board directs that agencies having the power of summary removal furnish the Board, upon request, with complete statistics regarding actions taken under that power. I believe no reference to the Director's authority under the National Security Act should be made in the letter referring the Loyalty Board order to the Commission. We are working on a draft of such a letter, in the event you wish to proceed in this manner.

LAWRENCE R. HOWSTOK  
General Counsel